

#### WESTPORT OIL AND GAS COMPANY, L.P.

1670 Broadway Suite 2800 Denver Colorado 80202 Telephone: 303 573 5404 Fax: 303 573 5609

May 12, 2003

Utah Division of Oil, Gas and Mining 1594 West North Temple, Suite 1210 P. O. Box 145801 Salt Lake City, UT 84114-5801

Attn: Ms. Diana Mason

RE: Federal Leases – State of Utah APD

Wellington Federal 22-5 UTU-80560 Wellington Federal 23-5 UTU-80560 Wellington Federal 32-5 UTU-80560 Wellington Federal 33-5 UTU-80560 Wellington Federal 22-6 UTU-80561 Wellington Federal 32-6 UTU-80561 Wellington Federal 43-6 UTU-80561 Wellington Federal 32-7 UTU-73409 North Bench Federal 22-19 UTU-80553 North Bench Federal 24-19 UTU-80553 North Bench Federal 43-19 UTU-80553

Dear Ms. Mason:

Please find enclosed two (2) originals and one (1) copy of each of the eleven (11) referenced wells, State of Utah Application For Permit To Drill for your consideration and approval.

I want to thank you in advance for your cooperation and assistance in these matters. If you should have any questions, please contact the undersigned or Dan Carroll, senior engineer.

16(1) 15100

Very truly yours, WESTPORT OIL AND GAS COMPANY, L. P.

Debby J. Black Engineering Technician

DJB

Enclosures:

xc: Dan Carroll

#### WESTPORT OIL AND GAS COMPANY, L. P.

#### **ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS**

A table summarizing information for each of the eleven (11) wells. In general, the ground elevation ranges from 6020 feet above mean sea level (MSL) to 6734 feet MSL graded at stake. The top of the Ferron of the Mesa Verde Formation lies approximately 1830 feet to 4110 feet below ground surface (BGS) and is 280 feet thick resulting in total approximate depths of 2110 feet to 4390 feet BGS.

WELL NAME AND NUMBER	LOCATION	TD	GR
North Bench Federal 22-19	SENW Sec. 19: T 13 S – R 11 E, 1750' FNL, 1440' FWL	3420'	6700'
North Bench Federal 24-19	SESW Sec. 19: T 13 S – R 11 E, 920' FSL, 1980' FWL	4250'	6598'
North Bench Federal 43-19	NESE Sec. 19: T 13 S – R 11 E, 1380' FSL, 1291' FEL	4480'	6734'
Wellington Federal 22-5	SENW Sec. 5: T 14 S – R 11 E, 2040' FNL, 1739' FWL	2670'	6107'
Wellington Federal 23-5	NESW Sec. 5: T 14 S - R 11 E, 1632' FSL, 1649' FWL	2500'	6078'
Wellington Federal 32-5	SWNE Sec. 5: T 14 S – R 11 E, 1867' FNL, 2027' FEL	3300'	6237'
Wellington Federal 33-5	NWSE Sec. 5: T 14 S – R 11 E, 1860' FSL, 2000' FEL	2650'	6192'
Wellington Federal 22-6	SENW Sec. 6: T 14 S – R 11 E, 1886' FNL, 1452' FWL	2770'	6109'
Wellington Federal 32-6	SWNE Sec. 6: T 14 S – R 11 E, 1854' FNL, 1625' FEL	2770'	6150'
Wellington Federal 43-6	NESE Sec. 6: T 14 S – R 11 E, 1502' FSL, 1186' FEL	2550'	6096'
Wellington Federal 32-7	SWNE Sec. 7: T 14 S – R 11 E, 1385' FNL, 1490' FEL	2330'	6020'

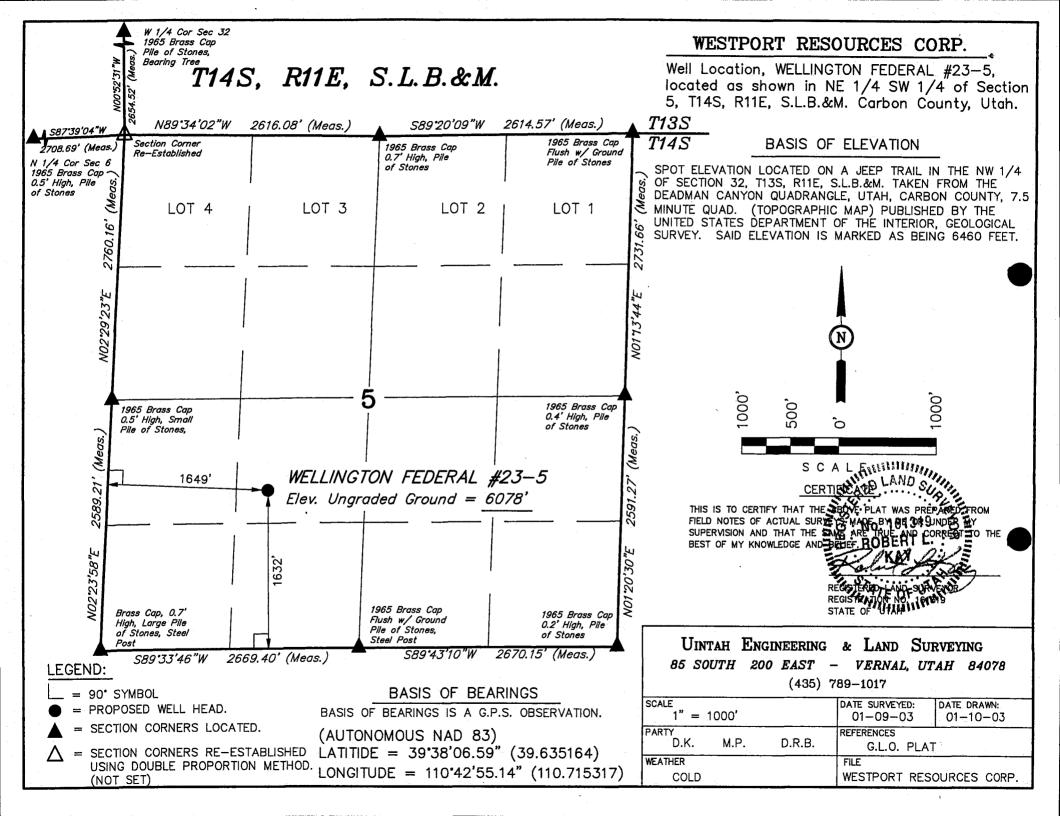
WELL NAME AND NUMBER	FORMATION	TOP	BOTTOM
North Bench Federal 22-19	FERRON COAL	4110'	4390'
North Bench Federal 24-19	FERRON COAL	3750'	4030'
North Bench Federal 43-19	FERRON COAL	3980'	4260'
Wellington Federal 22-5	FERRON COAL	2170'	2450'
Wellington Federal 23-5	FERRON COAL	2000'	2280'
Wellington Federal 32-5	FERRON COAL	2800'	3080'
Wellington Federal 33-5	FERRON COAL	2150'	2430'
Wellington Federal 22-6	FERRON COAL	2270'	2550'
Wellington Federal 32-6	FERRON COAL	2270'	2550'
Wellington Federal 43-6	FERRON COAL	2050'	2330'
Wellington Federal 32-7	FERRON COAL	1830'	2110'

## 001

# STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

MENDED REPORT	
(highlight changes)	

APPLICATION FOR PERMIT TO DRILL 5					5. MINERAL LEASE NO. UTU-80560	6. SURFACE: FEDERAL		
1A. TYPE OF WORK: DRILL X REENTER DEEPEN					7. IF INDIAN, ALLOTTEE OF	R TRIBE NAME:		
B. TYPE OF WELL: OIL GAS X OTHER SINGLE ZONE X MULTIPLE ZONE					8. UNIT of CA AGREEMENT	NAME:		
2. NAME OF OPE	WESTPORT OIL AND G					9. WELL NAME and NUMBE Wellington Fe	ederal 23-5	
3. ADDRESS OF 167		STATE ZIF CO 80202-480		(303) 573-5404	Į.	10. FIELD AND POOL, OR V Helper Field -		
AT SURFACE:	WELL (FOOTAGES)  1632' FSL, 1649' FWL 5246  PRODUCING ZONE: Same		9.6351			11. QTR/QTR, SECTION, TO MERIDIAN: NESW, Sec. 5, T S.L.B.&M.	OWNSHIP, RANGE,	
14. DISTANCE IN	MILES AND DIRECTION FROM NEAREST TOWN OR approximately 7.7 miles		Driac IIT			12. COUNTY: Carbon	13, STATE: UTAH	
15. DISTANCE TO	D NEAREST PROPERTY OR LEASE LINE (FEET)		R OF ACRES IN		17	. NUMBER OF ACRES ASSIG		
	1632'	TO, HOMBE		acres	"	160 acr		
APPLIED FOR	NEAREST WELL (DRILLING, COMPLETED, OR ) ON THIS LEASE (FEET) $\sim\!\!2800'$	19. PROPOS		00'		BOND DESCRIPTION:  LM Nationwide Bond 1	No. 158624364	
	(SHOW WHETHER DF, RT, GR, ETC.): 78' Ungraded Ground Level			work will start:  Approval	1	. ESTIMATED DURATION: days drilling plus 9 day	ys completion	
24.	PROPOSED	CASING AND	CEMENT	ING PROGRAM				
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH		CEMENT TYPE, QUA	ANTIT	TITY, YIELD, AND SLURRY WEIGHT		
12.25"	9.625", J-55, 40 ppf	0 - 250'				Chloride, 0.25#/sx Poly volume to raise cmt to		
7.875"	5.5", K-55, 15.5 ppf	0 - TD	675 sx of 0.25#/sx l	50/50 Prem/Poz, 10 <sup>9</sup> Poly E Flake, 12.5 pp	% Ca	al-Seal, 1% Calcium C 14.2 ppg, Yield = 1.97 ise cmt to surface cas	hloride, ' cu ft /sx to	
25		ATTACH	IMENTS					
VERIEV THE FOLL	OMING ARE ATTACHED IN ACCORDANCE MATERIAL			TON OFFICE ALL PULLS.				
X WELL PLAT	OWING ARE ATTACHED IN ACCORDANCE WITH TH OR MAP PREPARED BY LICENSED SURVEYOR OR ENGI OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF	NEER	X	COMPLETE DRILLING PLAN FORM 5, IF OPERA MARKET ADDROVAL	ERSON	n or company other than the company of the company	THE LEASE OWNER	
NAME (PLEASE PR	Paniel S.Ca	rroll	Federa Action	Is New	Se	nior Engineer		
SIGNATURE DATE					]	May 6, 2003		
(This space for State	42-007-3084	·\$	Ap Ut Qil	proved by the ah Division of Gas and Mini	f	*.		
(11/2001)	·		ate: O	7-05-03	7	MAY 1 5 2	k MINING	



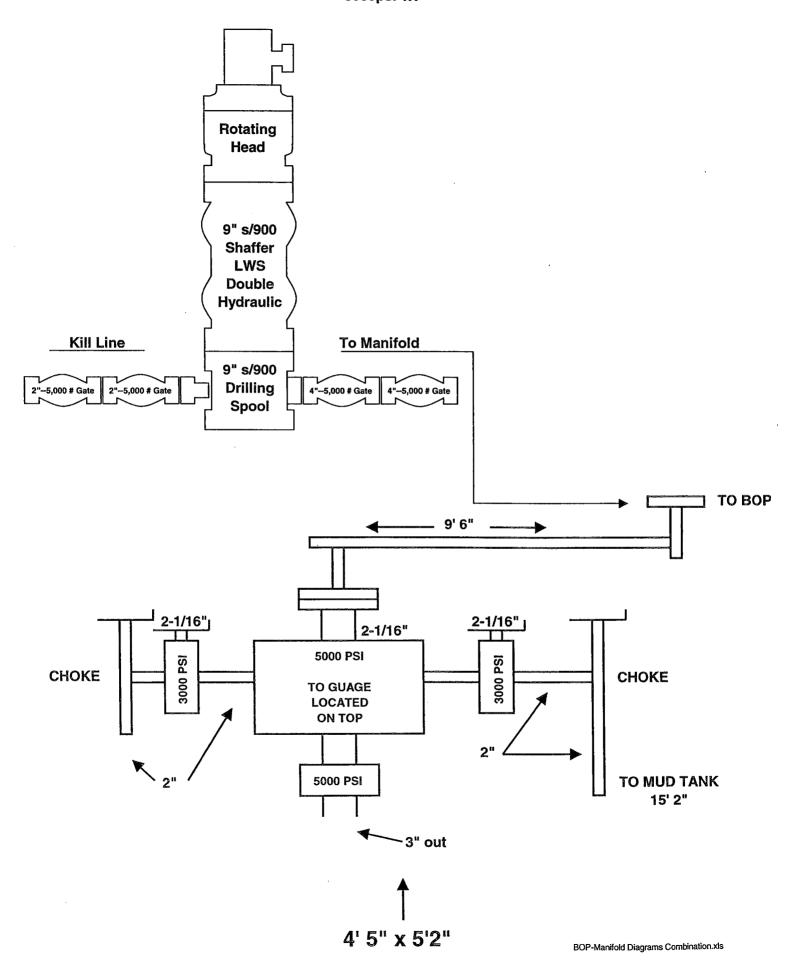
#### WESTPORT OIL AND GAS COMPANY, L.P. FERRON COAL PROJECT WELLINGTON FEDERAL 23-5 NESW 1632' FSL, 1649' FWL

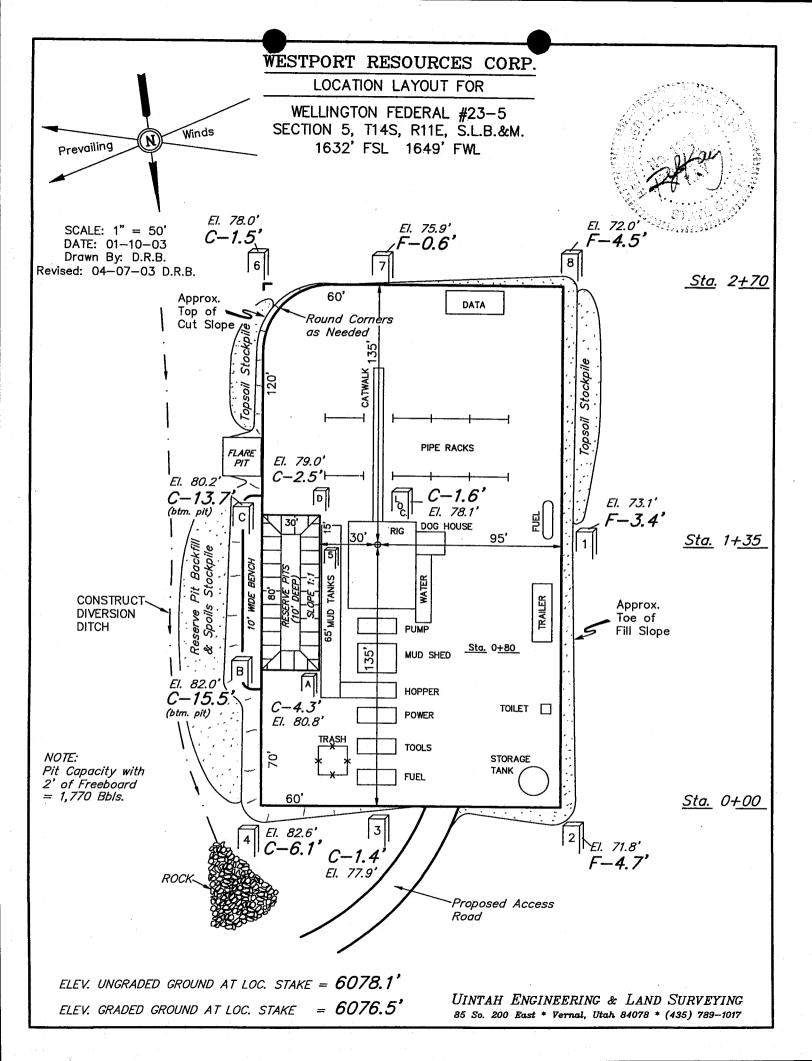
Section 5: Township 14 South – Range 11 E, S.L.B.&M. CARBON COUNTY, UTAH

#### **DRILLING PROGNOSIS:**

- 1. Prepare location for drilling rig. Drill rat hole and mouse hole.
- 2. Drill a 12.25" hole 10% of the total depth of well. Run an electronic multi shot after reaching surface-hole total depth.
- 3. Run 9.625" surface casing and cement as specified in the casing and cementing sections of this Master Drilling Plan. Thread lock guide shoe, float collar and bottom two joints of casing. Run two joints of casing between the float shoe and the float collar.
- 4. Waiting on cement time shall be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out. Provide 24 hours prior notice to BLM office for BOP test.
- 5. Cut off casing, weld on head and nipple up BOP. Pressure test BOP and BOPE to 3000 psi and 250 psi for 15 minutes. Test BOP and BOPE with a test plug.
- 6. After BOP test, test the surface casing to 70% of burst. Test pressure =  $0.70 \times 3950 \text{ psi} = 2765 \text{ psi}$ .
- 7. Drill stage collar, float shoe and 10' of new formation. Run shoe test to 10.5 ppg EMW.
- 8. Drill a 7.875" hole to the top of the Ferron Coal with conventional rotary techniques and insert bits and air mud system.
- 9. Run single point directional survey with every bit trip.
- 10. Run open hole logs as specified in the logging section of Master Drilling Program.
- 11. Pending log evaluation, run sidewall cores or prepare to run 5.5" casing and cement in full tension as specified in the casing and cementing section of the Master Drilling Program.
- 12. Clean the location and release the drilling rig.

## BOP E IPMENT AND CHOKE MANIFOLD DI RAM 3000psi WP





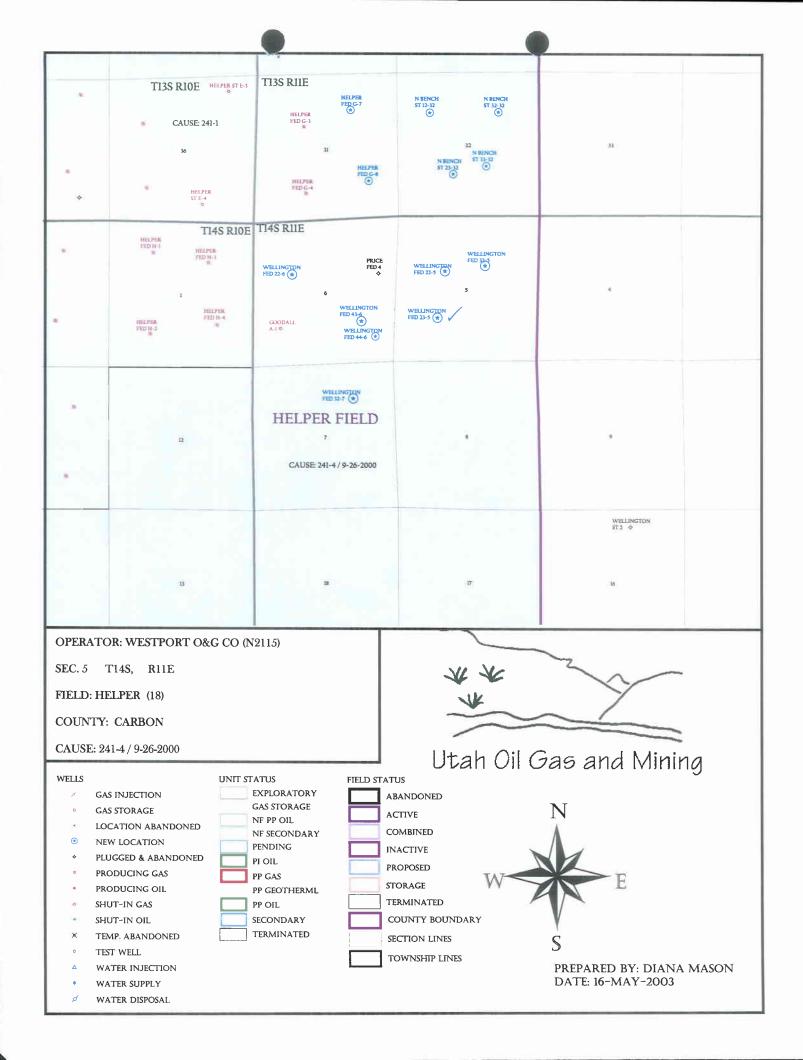
#### WESTPORT RESOURCES CORP. TYPICAL CROSS SECTIONS FOR WELLINGTON FEDERAL #23-5 X-Section SECTION 5, T14S, R11E, S.L.B.&M. Scale 1632' FSL 1649' FWL 1" = 50'DATE: 01-10-03 Drawn By: D.R.B. Revised: 04-07-03 D.R.B. 60' 95' CUT FILL: STA. 2+7030' 95' 30' LOCATION STAKE STA. 1 + 3530' 95' 30' Slope= 1 1/2:1 Finished Grade (Except Pits) STA. 0+80 Preconstruction Grade 60' 95' STA. 0+00 APPROXIMATE YARDAGES EXCESS MATERIAL AFTER CUT 5% COMPACTION = 1,070 Cu. Yds. (6") Topsoil Stripping = 800 Cu. Yds. Topsoil & Pit Backfill = 1,070 Cu. Yds. (1/2 Pit Vol.) Remaining Location = 2,280 Cu. Yds. **EXCESS UNBALANCE** Cu. Yds. (After Rehabilitation) TOTAL CUT = 3,080 CU.YDS. UINTAH ENGINEERING & LAND SURVEYING **FILL** = 1,910CU.YDS.

85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017

# WORKSHEET APPLICATION FOR PERMIT TO DRILL

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APD RECEIVED: 05/15/2003	API NO. ASSIGNED: 43-007-30848
WELL NAME: WESTPORT OIL & GAS CO ( N2115 )  CONTACT: DANIEL CARROLL  PROPOSED LOCATION:  NESW 05 140S 110E  SURFACE: 1632 FSL 1649 FWL  BOTTOM: 1632 FSL 1649 FWL  CARBON  HELPER ( 18 )  LEASE TYPE: 1 - Federal  LEASE NUMBER: UTU-80560  SURFACE OWNER: 1 - Federal  PROPOSED FORMATION: FRSD	PHONE NUMBER: 303-573-5404  INSPECT LOCATN BY: / /  Tech Review Initials Date  Engineering  Geology  Surface  LATITUDE: 39.63512  LONGITUDE: 110.71492
RECEIVED AND/OR REVIEWED:  Plat  Bond: Fed[1] Ind[] Sta[] Fee[]  (No. 158624364 )  Potash (Y/N)  Oil Shale 190-5 (B) or 190-3 or 190-13  Water Permit  (No. Murcifal )  RDCC Review (Y/N)  (Date:)  NF Fee Surf Agreement (Y/N)	LOCATION AND SITING:
STIPULATIONS:	





# State of Utah DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt Governor Kathleen Clarke Executive Director Lowell P. Braxton Division Director 1594 West North Temple, Suite 1210 PO Box 145801 Salt Lake City, Utah 84114-5801 801-538-5340 801-359-3940 (Fax) 801-538-7223 (TDD)

July 8, 2003

Westport Oil & Gas Company 1670 Broadway, Suite 2800 Denver, CO 80202-4800

Re:

Wellington Federal 23-5 Well, 1632' FSL, 1649' FWL, NE SW, Sec. 5, T. 14 South, R. 11 East, Carbon County, Utah

#### Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-007-30848.

Sincerely,

John R. Baza
Associate Director

pab

cc:

Enclosures

Carbon County Assessor

Bureau of Land Management, Moab District Office

Operator:	Westport Oil & Gas Company					
Well Name & Number	Wellington Federal 23-5					
API Number:	43-007-	43-007-30848				
Lease:	UTU-80560					
Location: NE SW	Sec. <u>5</u>	T14 South	<b>R.</b> 11 East			

#### **Conditions of Approval**

#### 1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

#### 2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

• Contact Dan Jarvis at (801) 538-5338

#### 3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

Conditions of approval, if any, we attached. Approval of this notice does not warm to see it that the applicant holds legal or equipable till a trace nights in the subject lease port is that the applicant holds legal or equitable till to more twice which would entitle the applicant to conduct speculious thereon

Office

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Contractions on reverse

RECEIVED AUG 2 8 2003

Attachment to Sundry Notice dated August 27, 2003
Request for change of surface casing size from 9-5/8" to 8-5/8"

WESTPORT OIL AND GAS COMPANY, L. P. 1670 Broadway Suite 2800 Denver, CO 80202-4800

API	Lease	Well Name				escription	1		-		Estimated TD
Number	Serial No		Spot	FNL	FSL_	FEL	FWL	<u>\$</u>	T	R	
			200								
										l	
43-007-30916	UTU-80560	Weilington Federal #22-5	SE NW	2,040'	,		1,739	5	145	11E	2,670
43-007-30848		Wellington Federal #23-5	NE SW	•	1,632'		1,649'	5	145	11E	2,500
		Wellington Federal #32-5	SW NE	1,867	•	2,027		5	145	11E	3,300"
43-007-30830		Wellington Federal #33-5	NW SE	-,	1,860	2,000		5	148	11E	2,650'
43-007-30917		Wellington Federal #22-6	SE NW	1,886'		•	1,452	6	145	11E	2,770'
		Wellington Federal #32-6	SW NE	1.854		1.625	•	6	148	11E	2,770'
		Wellington Federal #43-6	NE SE	.,	1,502	1,186		6	148	11E	2,550
		Wellington Federal #32-7	SW NE	1,385	.,	1,490'		7	145	11E	2,330'
43-007-30847		North Bench Federal #22-19		1.750		.,	1,440	19	135	11E	4,600'
43-007-30839		North Bench Federal #24-19	SE NW SE SW NE SE	.,	920'		1,980	19	135	11E	4,250'
43-007-30834		North Bench Federal #43-19	NE SE		1,380'	1,291		19	135	11E	4,480'
143-007-30034 B	010-00000	Man Moltif Delicti Federal 4-10-10			.,505	1,20.		,-			4,600' 4,250' 4,480'
A						4					
<u></u>			KSS								

### FAX TRANSMITTAL SHEET

**DATE: August 28, 2003** 

TO:

**Dustin Doucet** 

Utah Division of Oil, Gas and Mining

1594 West North Temple

Suite 1210 Box 145801

Salt Lake City, Utah

FROM:

**BILL MCKNAB** 

Holiday Inn

Price, Utah

TELEPHONE NO: 435-637-8880

TELEPHONE No: 801-538-5281

FAX NO: 801-359-3940

FAX NO: 435-637-3689

Email: BillMcKnab@aol.com

CELL: 303-550-1274

NO OF PAGES SENT: 8 (including cover sheet)

As we discussed yesterday enclosed are the Sundry Notices requesting approval of the change in casing size.

The mendian is SLB&M but the field width was only one character wide and wouldn't allow me to enter it.

The signed originals are in the mail. Original approved copies should be sent to the Denver address.

If possible would you please fax approved copies back to the number on the heading.

It is planned to spud the North Bench State 23-32 on Saturday, August 30, 2003.

I have also included a copy of the BLM Sundry Notice requesting the same change.

Please call me if there are any questions or problems.

Thank you for your help./

-Bill McKnat

Westport/Oil and Gas Company, L. P.

Project Manager

RECEIVED

AUG 2 8 2003

DIV. OF OIL, GAS & MINING

Frin31	60-3
(August	1999)

# DEPARTMENT OF THE INTERIOR

FORM A	PROVED
OMB No.	1004-0135
Expires Inove	mber 30 2000

	-		
		_	 
*	_		

BUREAU OF LAND MANAGEMENT						
	5. Lease Serial No.					
SUNDRY NOTICES AND REPORTS ON WELLS	SEE ATTACHED LIST					
$\emptyset$ Do not use this form for proposals to drill or reel	l '					
abandoned well. Use Form 3160-3 (APD) for such pro	posals.					
SUBMIT IN TRIPLICATE – Other instructions on rever	7. If Unit or CA/Agreement, Name and/or No.					
SODMIT IN TRIPLICATE - Other Instructions on rever	se side					
1. Type of Well	Married to the state of the sta					
Oil Well X Gas Well Other	8. Well Name and No.					
2. Name of Operator	SEE ATTACHED LIST					
WESTPORT OIL AND GAS COMPANY, L. P.	9. API Well No.					
3a.Address3b.Phone No.	(include area code) 43.77, 30848					
1670 Broadway, Suite 2800, Denver, CO 80202-4800 303-573-540	10. Field and Pool, or Exploratory Area					
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)	Helper Field - Ferron Coal					
SEE ATTACHED LIST	11. County or Parish, State					
	Carbon County, Utah					
5 14S 115	Carbon County, Otal					
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NA	TURE OF NOTICE, REPORT, OR OTHER DATA					
TYPE OF SUBMISSION	TYPE OF ACTION					
Notice of Intent	Production (Start/Resume) Water Shut-Off					
Alter Casing Fracture Tre						
Subsequent Report Casing Repair New Constr	The state of the s					
Change Plans Plug and Ab  Final Abandonment Notice Convert to Injection Plug Back	andon Temporarily Abandon casing and hole size  Water Disposal					
13. Describe Proposed or Completed Operations (clearly state all pertinent details, including						

If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

For the wells on the attached list change of the surface casing size and hole size as follows: from a 12-1/4" hole for 9-5/8", 40 lb/ft, J-55, ST&C to 11" hole for 8-5/8", 24 lb/ft, J-55, ST&C

14. I hereby certify that the foregoing is true and correct			
Name (Printed/Typed)	Title		
		Project Manager	
Signature	Date	August 27, 2003	
	S SPACE FOR FEDERAL OR STATE US	E	
Approved by	Title	Date	
Conditions of approval, if any, are attached. Approval of this notice does certify that the applicant holds legal or equitable title to those rights in the which would entitle the applicant to conduct operations thereon.			
			=

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United State 24 VED false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Attachment to Sundry Notice dated August 27, 2003
Request for change of surface casing size from 9-5/8" to 8-5/8"

WESTPORT OIL AND GAS COMPANY, L. P. 1670 Broadway
Suite 2800
Denver, CO 80202-4800

API	Lease	Well Name				Description	1				Estimated TD
Number	Serial No		Spot	FNL	FSL	FEL	FWL	S	T	R	
ž.											
**		•									
		作権(2)を 付款(2)を 所数(2) 所数(2)									
43-007-30916	UTU-80560	Wellington Federal #22-5	SE NW	2,040'			1,739'	5	14S	11E	2,670'
43-007-30848	UTU-80560	Wellington Federal #23-5	NE SW		1,632'		1,649'	5	14S	11E	2,670' 2,500' 3,300' 2,650' 2,770' 2,770' 2,550' 2,330' 4,600' 4,250' 4,480'
43-007-30846	UTU-80560	Wellington Federal #32-5	SW NE	1,867'		2,027'		5	148	11E	3,300'
43-007-30830	UTU-80560	Wellington Federal #33-5	NW SE		1,860'	2,000'		5	148	11E	2,650'
43-007-30917	UTU-80561	Wellington Federal #22-6	SE NW	1,886'			1,452'	6	14S	11E	2,770'
43-007-30895	UTU-80561	Wellington Federal #32-6	SW NE	1,854'		1,625'		6	148	11E	2,770'
43-007-30918	UTU-80561	Wellington Federal #43-6	NE SE		1,502'	1,186'		6	148	11E	2,550'
43-007-30919	UTU-73409	Wellington Federal #32-7	SW NE	1,385'		1,490'		7	14S	11E	2,330'
43-007-30847	UTU-80553	North Bench Federal #22-19	SE NW	1,750'			1,440'	19	13S	11E	4,600'
43-007-30839	UTU-80553	North Bench Federal #24-19	SE SW		920'		1,980'	19	13\$	11E	4,250'
43-007-30834	UTU-80553	North Bench Federal #43-19	NE SE		1,380'	1,291'		19	13S	11E	4,480'
		**************************************									A.

Form 3160-3 FORM APPROVED (August 1999) OMB NO. 1004-0136 Expires: November 30, 2000 UNITED STATES DEPARTMENT OF THE INTERIOR Lease Serial No. **BUREAU OF LAND MANAGEMENT** UTU-80560 1117 APPLICATION FOR PERMIT TO DRILL OR REENTER If Indian, Allottee or Tribe Name If Unit or CA Agreement, Name and No. X DRILL 1a. Type of Work REENTER Lease Name and Well No. Oil Well | X | Gas Well Single Zone Multiple Zone 1b. Type of Well **Wellington Federal 23-5** Name of Operator API Well No. 43-007-30848

10. Field and Pool, or Exploratory Westport Oil and Gas Company, L. P. 3b. Phone No. (include area code) 1670 Broadway - Suite 2800 - Denver, CO 80202-4800 303-573-5404 **Helper Field - Ferron Coal** Location of well (Report location clearly and In accordance with any State requirements.\*) 11. Sec., T., R., M., or Blk. And Survey or Area At surface NE SW 1632' FSL, 1649' FWL Section 5: T 14 S - R 11 E, S.L.B.&M. At proposed prod. zone Same 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\* 12. County or Parish 13. State approximately 7.7 miles ESE from Price, UT Carbon UT 15. Distance from proposed 16. No. of Acres in lease 17. Spacing Unit dedicated to this well location to nearest 1632 property or lease line, ft. 2007 acres 160 acres (Also to nearest drlg unit line, if any) 18. Distance from proposed location\* 19. Proposed Depth 20. BLM/ BIA Bond No. on file to nearest well, drilling, completed, ~2800' 2500' BLM Nationwide Bond No. 158624364 applied for, on this lease, ft. 21. Elevations (Show whether DF. RT, GR, etc.) 22. Aproximate date work will start\* **Estimated Duration** 6078' **Upon APD Approval** 5 days drilling plus 9 days completion 24. Attachments The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1 shall be attached to this form: Well plat certified by a registered surveyor. 4. Bond to cover the operations unless covered by existing bond on file(see 2. A Drilling Plan. item 20 above). A Surface Use Plan ( if the location is on National Forest System Lands, the Operator certification. SUPO shall be filed with the appropriate Forest Service Office). Such other site specific information and/ or plans as may be required by the an authorized officer.

ame (Printed/ Typed)

Daniel S. Carroll

June 6, 2003

Approved By (Signature

25. Signature

Name (Printed/ Typed)

AUG 26 2003

Date

Office

Division of Resources DIVISION OF RESOURCES:

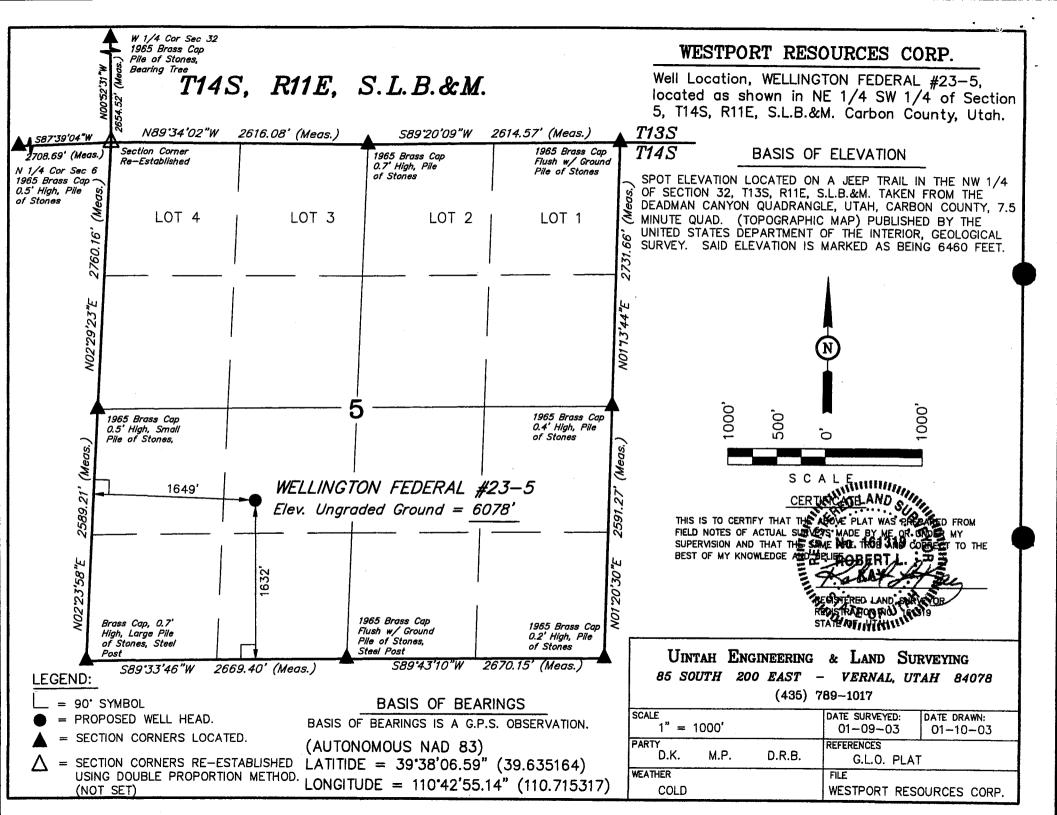
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to the applicant operations thereon.

Conditions of approval, if any, are attached

DIV. OF OIL, GAS & MINING

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

<sup>\* (</sup>Instructions on reverse)



Westport Oil and Gas Company, L.P. Wellington Federal 23-5 Lease U-80560 NE/SW Section 5, T14S, R11E Carbon County, Utah

A COMPLETE COPY OF THIS PERMIT SHALL BE KEPT ON LOCATION from the beginning of site construction through well completion, and shall be available to contractors to ensure compliance.

#### **CONDITIONS OF APPROVAL**

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be advised that Westport Oil and Gas Company, L.P. is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by CO1203 (Principal – Westport Oil and Gas Company, L.P.) via surety consent as provided for in 43 CFR 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43 CFR 3106.7-2 continuing responsibility are met.

This permit will be valid for a period of one year from the date of approval. After permit termination, a new application must be filed for approval.

All lease operations will be conducted in full compliance with applicable regulations (43 CFR 3100), Onshore Oil and Gas Orders, lease terms, notices to lessees, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors.

#### A. DRILLING PROGRAM

- 1. The proposed 3M BOPE is adequate for anticipated conditions. Testing of the BOPE to 2M standards is sufficient. Installation, testing and operation of the system shall be in conformance with Onshore Oil and Gas Order No. 2.
- 2. Concurrent approval from the State of Utah, Division of Oil, Gas & Mining (DOGM) is required before conducting any surface disturbing activities.
- 3. When drilling with air, the requirements of Onshore Oil and Gas Order No. 2, part III, E, Special Drilling Operations, shall apply. Among the requirements in this section are:
  - -Spark arresters
  - -Blooie line discharge 100 feet from wellbore
  - -Straight blooie line
  - -Deduster equipment
  - -Float valve above bit
  - -Automatic igniter on the blooie line
- 4. A cement bond log (CBL), or other appropriate tool for determining top-of-cement, shall be run on the production casing string and shall be submitted to BLM.

#### B. <u>SURFACE USE</u>

1. The following seed tables in the Standard Operating Practices shall be followed as conditions of approval:

Table A-1, Seed Mixture for Green Strip Areas

Table A-2, Seed Mixture for Final Reclamation, Pinyon-Juniper Areas

2. The following wildlife stipulations in the Standard Operating Practices shall be followed as conditions of approval:

EMP 16 & 17, Winter Seasonal Restriction on Crucial & High Priority Winter RangeEMP 19, Critical Winter Range Browse Hand Planting

- 3. The mud pit shall be lined.
- 4. Within six months of installation, surface structures shall be painted in the following flat, earth tone color: Olive Black (5WA20-6). This Fuller O'Brien color is for reference only. Any brand of paint may be used provided the colors match. Any facilities that must be painted to comply with OSHA standards are exempt.
- 5. The proposed action is within critical winter range and the surface disturbance associated with the project exceeds that which was analyzed and mitigated for the EIS. Since this surface disturbance has not been mitigated for in the EIS, the action is subject to the acre for acre mitigation for surface disturbance on critical winter range as provided for in the Price River Resource Management Framework Plan. The proponent shall complete a wildlife enhancement project designed to mitigate impacts on big game critical winter range at the rate of one acre of enhancement for each acre of disturbance. Acceptable projects may include vegetative manipulation designed to increase winter forage or other winter range habitat enhancements to improve big game distribution patterns. Projects shall be completed during the same calender year as the surface disturbing activity taking place. All aspects of project design and implementation, NEPA compliance, project design and implementation shall be the responsibility of the proponent.
- 6. BLM may require the company to install gates at some future time. This determination shall be made by BLM if negative resource impacts, due to easier public access into the project area, are occurring. A key to the lock(s) shall be provided to BLM.

#### **GENERAL CONSTRUCTION**

- 1. Operator shall contact the Price BLM Office at least forty-eight hours prior to the anticipated start of construction and/or any surface disturbing activities. The BLM may require and schedule a preconstruction conference with the operator prior to the operator commencing construction and/or surface disturbing activities. The operator and the operator's contractor, or agents involved with construction and/or any surface disturbing activities associated with the project, shall attend this conference to review the Conditions of Approval and plan of development. The operator's inspector will be designated at the pre-drill conference, and is to be given an approved copy of all maps, permits and conditions of approval before the start of construction. The BLM will also designate a representative for the project at the preconstruction conference.
- 2. The operator shall designate a representative(s) who shall have the authority to act upon and to implement instructions from the BLM. The operator's representative shall be available for communication with the BLM within a reasonable time when construction or other surface disturbing activities are underway.
- 3. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the operator, or any person working on his behalf, on public land is to be immediately reported to the Price BLM Office. The operator will suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Price BLM Office. An evaluation of the discovery will be made by the BLM to determine appropriate actions to prevent the loss of significant cultural or scientific values. The operator is responsible for the cost of evaluation of any site found during construction. The BLM will determine what mitigation is necessary.
- 4. During project construction, surface disturbance and vehicle travel shall be limited to the approved location and access routes. Any additional area needed must be approved by the Price BLM Office prior to use.
- 5. The operator must provide a trash cage for the collection and containment of all trash. The trash shall be disposed in an authorized landfill. The location and access roads shall be kept litter free.
- 6. Vegetation removal necessitated by construction shall be confined to the limits of actual construction. Removed vegetation will be stockpiled for use in reclamation or removed from the construction site at the direction of the BLM.
- 7. Prior to surface disturbance, topsoil is to be separately removed and segregated from other material. Topsoil depth will be decided onsite by BLM. If the topsoil is less than 6 inches, a 6-inch layer that includes the A horizon and the unconsolidated material immediately below the A horizon shall be removed and the mixture segregated and redistributed as the surface soil layer.

Generally topsoil shall be stored within the pad site or adjacent to access roads. The company in consultation with BLM shall determine stockpile locations and dimensions at the onsite. If the topsoil stockpiles will not be redistributed for a period in excess of one (1) year, the stockpiles are to be seeded with seed mixture as described on Table A-1 (attached).

#### **ROAD and PIPELINE CONSTRUCTION**

- 8. Operator shall provide an inspector under the direction of a registered professional engineer (PE) at all times during road construction. A PE shall certify (statement with PE stamp) that the road was constructed to the required Bureau of Land Management (BLM) road standards.
- 9. Road construction or routine maintenance activities are to be performed during periods when the soil can adequately support construction equipment. If such equipment creates ruts more than 6 inches deep, the soil is deemed too wet to adequately support construction equipment.
- 10. The operator is responsible for maintenance of all roads authorized through the lease or a right-of-way. Construction and maintenance shall comply with Class II or III Road Standards as described in BLM Manual Section 9113 and the Moab District Road Standards, except as modified by BLM. Maintenance may include but is not limited to grading, applying gravel, snow removal, ditch cleaning, headcut restoration/prevention.
- 11. Topsoil from access roads and pipelines is to be wind rowed along the uphill side of the road or stored in an approved manner. When the road and pipeline is rehabilitated, this soil will then be used as a top coating for the seed bed.
- 12. Erosion-control structures such as water bars, diversion channels, and terraces will be constructed to divert water and reduce soil erosion on the disturbed area. Road ditch turnouts shall be equipped with energy dissipators as needed to avoid erosion. Where roads interrupt overland sheet-flow and convert this runoff to channel flow, ditch turnouts shall be designed to reconvert channel flow to sheet flow. Rock energy dissipators and gravel dispersion fans may be used, or any other design which would accomplish the desired reconversion of flow regime. As necessary cut banks, road drainages, and road crossings shall be armored or otherwise engineered to prevent headcutting.
- 13. In the event construction can't be completed prior to winter closures, measures to prevent erosion from upcoming spring snowmelt should be taken s follows:

Loose earth and debris must be removed from drainages, and flood plains. Earth and debris should not be stockpiled on drainage banks.

Road drainages should be checked to ensure there are none with uncontrolled outlets.

Be sure all ditch drainages have an outlet to prevent ponding. If necessary, build temporary sediment ponds to capture runoff from unreclaimed areas. Re-route ditches as needed to avoid channeling water through loosened soil.

#### PAD CONSTRUCTION

- 14. During the construction of the drill pad, suitable topsoil material is to be stripped and conserved in a stockpile on the pad. If stockpiles are to remain for more than a year, they shall be seeded with the seed mixture inTable A-1, attached.
- 15. Generally, drill pads are to be designed to prevent overland flow of water from entering or leaving the site. The pad is to be sloped to drain spills and water into the reserve pit. The drill pad shall be designed to disperse diverted overland flow and to regulate flow velocity so as to prevent or minimize erosion. Well pad diversion outlets shall be equipped with rock energy brakes and gravel-bedded dispersion fans.

#### REHABILITATION PROCEDURES

#### Site Preparation

16. The entire roadbed should be obliterated and brought back to the approximate original contour. Drainage control is to be reestablished as necessary. All areas affected by road construction are to be recontoured to blend in with the existing topography. All berms are to be removed unless determined to be beneficial by BLM. In recontouring the disturbed areas, care should be taken to not disturb additional vegetation.

#### Seedbed Preparation

- 17. An adequate seedbed should be prepared for all sites to be seeded. Areas to be revegetated should be chiseled or disked to a depth of at least 12 inches unless restrained by bedrock.
- 18. Ripping of fill materials should be completed by a bulldozer equipped with single or a twin set of ripper shanks. Ripping should be done on 4-foot centers to a depth of 12 inches. The process should be repeated until the compacted area is loose and friable, then shall be followed by final grading. Seedbed preparation will be considered complete when the soil surface is completely roughened and the number of rocks (if present) on the site is sufficient to cause the site to match the surrounding terrain.

19.. After final grading, the stockpiled topsoil shall be spread evenly across the disturbed area.

#### **Fertilization**

- 20. Commercial fertilizer with a formula of 16-16-8 is to be applied at a rate of 200 pounds per acre to the site. The rate may be adjusted depending on soil.
- 21. Fertilizer is to be applied not more than 48 hours before seeding, and shall be cultivated into the upper 3 inches of soil.
- 22. Fertilizer is to be broadcast over the soil using hand-operated "cyclone-type" seeders or rotary broadcast equipment attached to construction or revegetation machinery as appropriate to slope. All equipment should be equipped with a metering device. Fertilizer application is to take place before the final seeding preparation treatment. Fertilizer broadcasting operations should not be conducted when wind velocities would interfere with even distribution of the material.

#### Mulching

When it is time to reclaim this location, the Price BLM Office will determine whether it will be necessary to use mulch in the reclamation process. The type of mulch should meet the following requirements: Wood cellulose fiber shall be natural or cooked, shall disperse readily in water, and shall be nontoxic. Mulch shall be thermally produced and air dried. The homogeneous slurry or mixture shall be capable of application with power spray equipment. A colored dye that is noninjurious to plant growth may be used when specified. Wood cellulose fiber is to be packaged in new, labeled containers. A minimum application of 1500 pounds per acre shall be applied. A suitable tackifier shall be applied with the mulch at a rate of 60 to 80 pounds per acre.

An alternative method of mulching on small sites would be the application of straw or hay mulch at a rate of 2000 pounds per acre. Hay or straw shall be certified weed free. Following the application of straw or hay, crimping shall occur to ensure retention.

#### Reseeding

24. All disturbed areas are to be seeded with the seed mixture required by the BLM. The seed mixture(s) shall be planted in the fall of the year (Sept-Nov), in the amounts specified in pounds of pure live seed (PLS)/acre. There shall be no noxious weed seed in the seed mixture. Seed will be tested and the viability testing of seed shall be done in accordance with State law(s) and within 12 months prior to planting. Commercial seed will be either certified or registered seed. The seed mixture container shall be tagged in accordance with State law(s) and available for

inspection by the BLM. Seed is to be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture shall be evenly and uniformly planted over the disturbed area. (Smaller/heavier seeds tend to drop to the bottom of the drill and are planted first. Appropriate measures should be taken to ensure this does not occur.) Where drilling is not possible, seed is to be broadcast and the area raked or chained to cover the seed. Woody species with seeds that are too large for the drill will be broadcast. When broadcasting the seed, the pounds per acre noted below are to be increased by 50 percent. Reseeding may be required if a satisfactory stand is not established to the surface rights owner's specifications. Evaluation of the seeding's success will not be made before completion of the second growing season after the vegetation becomes established. The Price BLM Office is to be notified a minimum of seven days before seeding a project.

25. The disturbed areas for the road and pipeline must be seeded in the fall of the year, immediately after the topsoil is replaced. The prescribed seed mixture is attached as Table A-2.

#### General

26. Prior to the use of insecticides, herbicides, fungicides, rodenticides and other similar substances, the operator must obtain from BLM, approval of a written plan. The plan must describe the type and quantity of material to be used, the pest to be controlled, the method of application, the location for storage and disposal of containers, and other information that BLM may require. A pesticide may be used only in accordance with its registered uses and within other agency limitations. Pesticides must not be permanently stored on public lands.

The following seed mixture would be planted along service road borrow ditches, around the edges of drill pads with a production well, and surrounding other production and maintenance facilities. The purpose for this is to provide a "green strip" buffer to minimize fire hazards and prevent invasion and establishment of noxious weeds in areas that will receive continued disturbance for the life of these areas.

Table A-1

Common Plant Name	Scientific Name P	ounds per acre (PLS)
Forage kochia	Kochia prostrata	2
Wyoming big sagebrush	<i>Artemisia tridentata wyoming</i> var. Gordon Creek	genis 1
Douglas low rabbitbrush	Chrysothamnus viscidiflorus	1
	TOTAL	4

The following seed mixture is for the area that would receive final reclamation. Areas would be planted to protect them from soil erosion and to restore forage production.

Table A-2

Common Plant Name	Scientific Name Po	ounds per acre (PLS) <sup>1</sup>	
Pinyon Juniper Areas			
Grasses			
Thickspike wheatgrass	Elymus lanceolatus	1.5	
Intermediate wheatgrass	Elytrigia intermedia	1.5	
Squirreltail	Elymus elymoides	2	
Crested wheatgrass	Agropyron desertorum	2	
Forbs			
Lewis flax	Linum perenne lewisii	1	
Palmer penstemon	Penstemon palmerii	<b>,1</b>	
Shrubs			
Forage kochia	Kochia prostrata	2	
Fourwing saltbrush	Atriplex canescense	2	
Wyoming big sagebrush	Arternesia tridentata wyoming var. Gordon Creek	gensis 1	
Antelope bitterbrush Purs	hia tridentata	1	
	TOTAL	15	

<sup>1.</sup> Seeding rate is listed as pounds per acre of pure live seed (PLS) drilled. Rate is increased by 50 percent if broadcast seeded.

Formula: pure live seed (PLS) = % seed purity x % seed germination

FERRON NATURAL GAS PROJECT A	REA		
PROPONENT: Westpart	WELL#:	23-5	

## EPM 16 & 17: WINTER SEASONAL RESTRICTION (DECEMBER 1 to APRIL 15) ON CRUCIAL AND HIGH PRIORITY WINTER RANGE. Pg 1 of 1

Restrictions on Construction Phase Activity: Prohibit construction phase activity, described below, on big game high value and critical winter range during the period (December 1 - April 15) without regard for land ownership.

This condition would not apply to normal maintenance and operation of producing wells, described below. On nonfederal lands (where the federal government does not have either surface or subsurface ownership) the Companies would be allowed to conduct construction phase activity if needed to avoid breech of contract or loss of lease rights. In the event construction phase activity proceeds into the winter closure period on non federal interest lands, Companies would make available appropriate documentation to UDWR, upon request.

<u>Construction Phase Activity:</u> Construction phase activity is considered to include all work associated with initial drilling and construction of facilities through completion, including installation of pumping equipment, connection with ancillary facilities and tie-in with pipelines necessary for product delivery.

Companies would not be allowed to initiate construction activity unless it is reasonable to believe that such work can be finished to a logical stopping point prior to December 1 of that year. Specific activities considered to be covered by the seasonal closure include all heavy equipment operation including but not limited to the following:

- Mobilization/Demobilization or operation of heavy equipment (crawler tractor, front end loader, backhoe, road grader, etc.)
- -Construction activity (road construction or upgrading, pad, pipeline, powerline, ancillary facilities, etc.),
- -Drilling activity (Operator would not propose or initiate drilling activity if the project could not reasonably be expected to be finished to a logical stopping point by the December 1 date of that year.)
- -Seismic operation, detonation of explosives

This seasonal closure would not apply to reconnaissance, survey/design and/or flagging of project work or other similar activity not requiring actions listed for heavy equipment operation.

<u>Production Phase:</u> A well is considered to be in production phase when the well and ancillary facilities are completed to the point that they are capable of producing and delivering product for sale. It is noted that heavy equipment operation may be necessary in the performance of maintenance and operation of producing wells.

<u>Restriction on Non Emergency Workover Operations:</u> The Companies will schedule non-emergency workover operations (defined below) on big game crucial and high value winter range outside the December 1 to April 15 date of the seasonal closure.

Non-emergency Workover Operations: Workover operations to correct or reverse a gradual loss of production over time (loss of production of 20 percent or less over a 60 day period) is considered to be routine or non-emergency workover operations and would not be permitted during the December 1 to April 15 time frame.

Emergency Workover Operations: Emergency work over operations are defined as downhole equipment failure problems or workover operation necessary to avoid shut in of the well or to avoid an immediate safety or environmental problem. Loss of production greater than 20 percent within a 60 day period is indicative of pump failure and will be treated as an emergency workover operation. The Companies will submit Sundry notices to BLM within five days of the emergency workover operations between December 1 and April 15.

#### FERRON NATURAL GAS PROJECT AREA

PROPONENT: west port	WELL #: <u> </u>	
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#### EPM 19: CRITICAL WINTER RANGE BROWSE HAND PLANTING

Pg 1 of 1

One or two browse species lists (checked below) are to be hand planted at the prescribed application rate and according to the following prescribed methods on critical winter range areas that are undergoing long term reclamation. This would include all pipeline corridors, berm around edge of drill pads, miscellaneous disturbed areas associated with construction such as staging areas for equipment, sidecast on road cuts, along side upgraded or new roads up to and including borrow ditch and in the termination of redundant access roads being closed. This planting shall be completed in the first planting window following reclamation.

#### Planting Methods:

Planting shall be accomplished using a labor force with specific experience in landscape restoration, hand planting methods and handling and care of browse tubling and or bareroot stock plants.

Browse plants to be utilized can be bareroot stock or tubling stock plants of 1 year old age class or greater.

Browse seedling protectors will be used to provided protection from browsing ungulates for two years. Seedling protectors will be of an open mesh rigid design that will break down when exposed to sunlight and that measures a minimum of 12 inches in length and 4 inches in diameter. The protectors will be secured around the browse seedlings.

Planting shall be completed in the spring (March 1- April 1) and or fall (November 1- December 1) planting windows.

Browse plants shall be stored and handled in such a manner as to maintain viability, according to the type of browse stock being used.

#### Planting Species and Application Rate:

Species	Sagebrush-Grass Plants Per Acre	Pinyon-Juniper
Wyoming Sagebrush (Gordon Creek)	100	50
Fourwing Saltbush (Utah seed source collected at or above 5,000 feet elevation)	100	50
True Mountain Mahogany (Utah seed source)	0	50
Antelope Bitterbrush (Utah seed source)	0 .	50
Total	200	200
Suitable Substitutions:		
Prostrate Kochia	yes	yes
Whitestern Rubber Rabbitbrush	no	yes
Utah Serviceberry	no	yes
Winterfat	yes	no

#### C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

<u>Building Location</u>- Contact the BLM, Natural Resource Protection Specialist at least 48-hours prior to commencing construction of location.

Spud- The spud date will be reported to BLM 24-hours prior to spudding. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the Moab Field Office within 24-hours after spudding, regardless of whether spud was made with a dry hole digger or big rig.

<u>Daily Drilling Reports</u>- Daily drilling reports shall detail the progress and status of the well and shall be submitted to the Moab Field Office on a weekly basis.

Monthly Reports of Operations- In accordance with Onshore Oil and Gas Order No. 1, this well shall be reported on Minerals Management Service (MMS) Form 3160, "Monthly Report of Operations," starting the month in which operations commence and continuing each month until the well is physically plugged and abandoned. This report will be filed directly with MMS.

<u>Sundry Notices</u>- There will be no deviation from the proposed drilling and/or workover program without prior approval. "Sundry Notices and Reports on Wells" (Form 3160-5) will be filed with the Moab Field Office for approval of all changes of plans and subsequent operations in accordance with 43 CFR 3162.3-2. Safe drilling and operating practices must be observed.

<u>Drilling Suspensions</u>- Operations authorized by this permit shall not be suspended for more than 30 days without prior approval of the Moab Field Office. All conditions of this approval shall be applicable during any operations conducted with a replacement rig.

<u>Undesirable Events</u>- Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be immediately reported to the BLM in accordance with requirements of NTL-3A.

<u>Cultural Resources</u>- If cultural resources are discovered during construction, work that might disturb the resources is to stop, and the Price Field Office is to be notified:

<u>First Production</u>- Should the well be successfully completed for production, the Moab Field Office will be notified when the well is placed in producing status. Such notification may be made by phone, but must be followed by a sundry notice or letter not later than five business days following the date on which the well is placed into production.

A first production conference will be scheduled as soon as the productivity of the well is apparent. This conference should be coordinated through the Moab Field Office. The Moab Field Office shall be notified prior to the first sale.

Well Completion Report- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted to the Moab Field Office not later than thirty-days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. When requested, samples (cuttings and/or samples) will be submitted to the Moab Field Office.

<u>Venting/Flaring of Gas-</u> Gas produced from this well may not be vented/flared beyond an initial, authorized test period of 30 days or 50 MMcf, whichever first occurs, without the prior, written approval of the Moab Field Office. Should gas be vented or flared without approval beyond the authorized test period, the well may be ordered shut-in until the gas can be captured or approval to continue the venting/flaring as uneconomic is granted. In such case, compensation to the lessor (BLM) shall be required for that portion of the gas that is vented/flared without approval and which is determined to have been avoidably lost.

<u>Produced Water-</u> An application for approval of a permanent disposal method and location will be submitted to the Moab Field Office for approval pursuant to Onshore Oil and Gas Order No.7.

Off-Lease Measurement, Storage, Commingling- Prior approval must be obtained from the Moab Field Office for off-lease measurement, off-lease storage and/or commingling (either down-hole or at the surface).

<u>Plugging and Abandonment</u>- If the well is completed as a dry hole, plugging instructions must be obtained from the Moab Field Office prior to initiating plugging operations.

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the Moab Field Office within thirty-days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Price Field Office or the appropriate surface managing agency.

#### TABLE 1

#### **NOTIFICATIONS**

Notify Don Stephens (435-636-3608) of the BLM Price Field Office for the following:

2 days prior to commencement of dirt work, construction and reclamation;

1 day prior to spudding;

50 feet prior to reaching the surface casing setting depth.

If the person at the above number cannot be reached, notify the Moab Field Office at 435-259-2100. If unsuccessful, contact the person listed below.

Well abandonment operations require 24 hour advance notice and prior approval. In the case of newly drilled dry holes, verbal approval can be obtained by calling the Moab Field Office at 435-259-2100. If approval is needed after work hours, you may contact the following:

Eric Jones, Petroleum Engineer

Office: 435-259-2117 Home: 435-259-2214



Department of Natural Resources

Division of Oil, Gas & Mining

ROBERT L. MORGAN Executive Director

LOWELL P. BRAXTON
Division Director

MICHAEL O. LEAVITT Governor

OLENE S. WALKER Lieutenant Governor

February 23, 2004

David Gomendi Westport Resources Corp. 1670 Broadway Suite 2800 Denver CO 80202-5404

Re:

APD Rescinded – Wellington Fed 23-5, Sec. 5, T. 14S, R. 11E

Carbon County, Utah API No. 43-007-30848

Dear Mr. Gomendi:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on July 8, 2003. On February 19, 2004, you requested that the division rescind the state approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective February 19, 2004.

A new APD must be filed with this office for approval <u>prior</u> to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Whitney

**Engineering Technician** 

cc: Well File

Bureau of Land Management, Moab

